



Mayor and Cabinet

Permission to Procure and Award the Repair and Maintenance of Ventilation Plant and Controls 2024 – 2026

Date: 24 January 2024

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Peter Whittington - Head of Compliance
Chris Hall – Interim Procurement Manager (Housing)

Outline and recommendations

Mayor & Cabinet are recommended to:

Approve the re-procurement of Repair and Maintenance of Ventilation Plant and Controls for a period of 2 years with the option to extend for a further 2 years with a total contract value of £1.4m over 4 years.

Approve the use of the Crown Commercial Services Framework Agreement (RM6232) – Lot 2a: Hard Facilities Management to carry out the procurement via a mini competition.

Approve the award of contract to the preferred service provider for the provision of Repair and Maintenance of Ventilation Plant and Controls.

Delegate authority to the Executive Director for Housing, in consultation with Director of Law and Corporate Governance and the Director of Housing Quality and Investment to select the preferred provider in accordance with the selection and award criteria published in the tender documentation and agree the award and final form of the contract.

Timeline of engagement and decision-making

Current contract commenced: 12th January 2017

Current contract extension: 2 Years

Current contract expiry: 11th January 2024

Extension for a 9 month contract expires :11th October 2024

1. Summary

- 1.1 This report seeks approval to commence the re-procurement, and to award the contract for a period of 2 years with the option to extend for up to a further 2 years for the repair and maintenance of ventilation plant and controls with a total contract value of £1.4m over 4 years.
- 1.2 An extension of 9 months to the existing contract has been mutually agreed with the incumbent provider and the current schedule of rates has been held. The extension was approved by the Executive Director of Housing to allow sufficient time for the tender process to take place taking the contract end date to 11th October 2024.
- 1.3 Approval is also sought to use the Crown Commercial Services (CCS) Facilities Management and Workplace Services framework RM6232 Lot 2a: Hard Facilities and procure the provider via a mini-competition.

2. Recommendations

- 2.1 It is recommended that Mayor and Cabinet:
- 2.2 Approve the re-procurement of Repair and Maintenance of Ventilation Plant and Controls for a period of 2 years with the option to extend for a further 2 years with a total contract value to £1.4m over 4 years.
- 2.3 Approve the use of the Crown Commercial Services Framework Agreement (RM6232) – Lot 2a: Hard Facilities Management to carry out the procurement via a mini competition.
- 2.4 Approve the award of contract to the preferred service provider for the provision of Repair and Maintenance of Ventilation Plant and Controls.
- 2.5 Delegate authority to the Executive Director of Housing, in consultation with Director of Law and Corporate Governance and the Director of Housing Quality

and Investment to select the preferred provider in accordance with the selection and award criteria published in the tender documentation and agree the award and final form of contract.

3. Policy Context

- 3.1 This report aligns with Lewisham's Corporate Priorities, as set out in the Council's Corporate Strategy (2022-2026):
- Cleaner and Greener
 - Quality Housing
 - Health and Wellbeing
- 3.2 This proposal addresses Lewisham's Corporate Strategy 2022-2026 as follows:
- 3.3 'Quality Housing' for our residents as set out in the corporate strategy; and ensures we continue to serve and support the residents of Lewisham, by having our residents' interests first and foremost.
- 3.4 The repair and maintenance of ventilation plant and controls contract ensures that residents living on our estates are provided with working safe and clean ventilation plant and controls which are high quality, well serviced and maintained. Ventilation ducts are cleaned on an annual basis to remove lint build up which poses fire risk to residents if not cleaned properly, ensuring our residents have a safe environment in line with the council's 'Health and Wellbeing' priority. Maintained machines run more efficiently and are safer.
- 3.5 Where fans exceed their life cycle and need to be replaced we would require the winning bidder to put forward energy efficient, long life, low energy bespoke fan units which are in line with the council's 'Greener and Cleaner' priority.

4. Background

- 4.1 The existing contract was awarded to Hydro X-Air following a competitive tendering process for a period of 5 years from 12th January 2017 to 11th January 2022, with the option to extend for 2 years being executed. The Executive Director of Housing granted approval to extend the existing Contract to 30th October 2024 to allow the opportunity to capitalise on evolving technological advancements and achieve greater value for money.
- 4.2 Lewisham Homes procured the repair and maintenance of ventilation plant and controls for residents living across the borough. With the transition of Lewisham Homes back to the Council, the existing contract has been novated and this service now needs to be procured by the Council.
- 4.3 Servicing works are to be carried out twice a year. Servicing works for Direct Coupled Fans; Direct Drive Fans (Inline & Roof); Roof Top Extract Fans; Refuse Chute Axial Fans; Wall Fans; Heat Recovery Units; Electrical Motors and Controls; Control Panels; Trunking & Conduit and Ducting & Fire Dampers are to be carried out at the first service visit each year.
- 4.4 Servicing works for Direct Coupled Fans, Direct Drive Fans (Inline & Roof), Roof Top Extract Fans, Refuse Chute Axial Fans, Wall Fans, Electrical Motors and

Controls and MVHR units are to be carried out at the second service visit each year, approximately six months after the initial service visit.

5. Procurement Options Considered

- 5.1 This section considers various options for the route to market to provide repair and maintenance of ventilation plant and controls. The options of the routes to market are set below.
- 5.2 The Council does not have the resources or expertise to in-source this contract.
- 5.3 The procurement team explored the option to run a competitive open tender with the requirement of potential suppliers being a pass/fail criterion and would ensure more suppliers are able to submit. However, due to the resources and time involved in carrying out a full open tender, this approach to market is considered to be less optimal. Running a mini-competition conducted through established framework agreements is typically swifter and more efficient due to the fact terms and conditions are already defined and frameworks provide access to a pre-screened pool of qualified suppliers.
- 5.4 The procurement team explored various framework providers: Crown Commercial Services (CCS); National LGPS Frameworks (LGPS); LHC; West Works; Southern Universities Purchasing Consortium (SUPC); Northeastern Universities Purchasing Consortium (NEUPC); Central Housing Investment Consortium (CHIC) and Consortium Procurement to find a suitable frameworks that can be used.
- 5.5 Having reviewed the framework options the preferred option is to run a mini competition across all 18 providers of the Crown Commercial Services (CCS) framework, Facilities Management and Workplace Services RM 6232, Lot2a – Hard Facilities. This is because it offers a good range of providers that can meet our quality and competency standards, whilst ensuring value for money through the mini competition process.
- 5.6 The Head of Compliance will develop the contract specifications, pricing details, and evaluation criteria. Lewisham Council's Procurement team and Legal team will review and approve these documents.
- 5.7 The tender weightings are 45% price, 45% quality, and 10% social value. The evaluation will involve the Head of Compliance and compliance team members.
- 5.8 Invitations to tender will be sent using Council templates via Proactis, following Lewisham Council's procurement processes.

6. Financial implications

- 6.1 This gateway report seeks the procurement approach to run a competitive tender for a new 2 year + 2 year option for the ventilation services required including, repair and maintenance of ventilation plant and controls.
- 6.2 The total contract value is £1.4m. These costs are included in the existing Housing Revenue Account budgets.
- 6.3 Any approved spend for this project would need to be monitored by contract

managers to ensure that the budget is not exceeded, and Finance will also monitor spend as part of the monthly budget monitoring process, with progress and variances reported to DMT.

7. Legal implications

7.1 Approval to Procure :

7.2 The report seeks approval to procure an external contractor for the repair and maintenance of ventilation plant and controls. Given the potential spend on this contract (at a length of 2 years with the option to extend for a further 2 years) this contract would be categorised by Contract Procedure Rules as a “Category A” contract. The report sets out the other options considered and explains why the use of a framework agreement is the recommended option.

7.3 Assuming that Mayor and Cabinet accepts the recommendation to procure a works contractor, the Contract Procedure Rules (“CPR”) place requirements on how that should happen. The CPR require that when letting contracts steps must be taken to secure value for money through a combination of cost, quality and competition, and that competitive tenders or quotations must be sought depending on the size and nature of the contract (Rule 5). The requirements of the CPR would be satisfied by use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Public Contracts Regulations 2015. The recommended framework agreement satisfies this criterion. As a Category A contract, it would be for Mayor and Cabinet to take a decision on the award of any contract. Given the potential spend on this contract the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations (“the Regulations”) will apply.

7.4 Approval to Award :

7.5 This report proposes that Mayor and Cabinet instruct and give delegated authority to the Executive Director of Housing in consultation with the Director of Housing Quality and Investment and the Director of Law and Corporate Governance to give effect to this decision by applying the selection and award criteria to determine and enter into contract with the preferred contractor.

7.6 The decision to award the contract contained in this report is a Key Decision under Article 16.2 of the Constitution as it has a value of more than £700,000.

7.7 Provided that the final contract value is within authorised limits set out in the Part 2 report and the preferred contractor is selected in accordance with the selection criteria published in the tender documentation, then the selection by the Executive Director for Housing of the preferred contractor in accordance with Mayor and Cabinet’s direction will not be a Key Decision. For audit purposes a written record should be kept setting out how the selection process has been applied and the preferred contractor selected, and officers from Legal Services should be consulted as necessary throughout the selection and award process.

8. Risk Implications

8.1 The key risks have been identified and documented below with mitigation.

Risks	Mitigation
Capacity and competency levels are limited	Accessing pre-approved suppliers from the framework, utilising existing Agreements and adapting specifications from the framework all make a positive contribution to the capacity and competency levels available.
Mini Competition via an existing framework reduces the number of potential suppliers accessed.	Accessing the framework will reduce the time and resources required for procurement. Pre-qualification of suppliers has already taken place and are signed up to framework terms and conditions. Access to pre-approved suppliers on pre-agreed framework rates.
Time required to carry out a mini-competition	Accessing an existing framework, reduces the time to market as the Stage 1 procurement process has already been undertaken to pre-qualify suppliers. The existing contract has been extended to allow sufficient time to conduct a compliant procurement process.

9. Equalities implications

9.1 At all times the supplier will comply with and ensure that the performance of the contract is in full accord with the requirements of all relevant legislation relating to discrimination and equalities and that a similar approach is adopted by all its suppliers and sub-contractors.

10. Climate change and environmental implications

- 10.1 Lewisham Council is committed to reducing CO2 emissions from its own operations and seeks to manage and reduce the overall carbon footprint of its supply chain. The Council has made a commitment to making the borough carbon neutral by 2030. Crime and disorder implications.
- 10.2 Contractors and suppliers are expected to support the Council in achieving this goal. Contractors and suppliers are required to report their carbon footprint publicly and demonstrate a commitment to carbon reduction in their own operation and the products and services they deliver.
- 10.3 At all times the new provider will perform the Service using working methods, equipment, materials, and consumables which minimise environmental damage and provides the Service in a manner which is unlikely to become injurious to health or detrimental to the environment or the fabric of any property on or contiguous to any part of a location from which the Service which is being provided.
- 10.4 The new provider shall take all reasonable steps to ensure that work under the Contract does not create dust or smoke nuisances and that it complies with the Environmental Protection Act, Control of Pollution Act and Clean Air Act.

11. Health and wellbeing implications

- 11.1 The Council will require the Contractor to provide its service with the health and wellbeing of its staff, council staff and service users at the forefront of its operational procedures and practices.
- 11.2 The services in this report will have a positive impact on health, mental health, and wellbeing by providing direct mental health and wellbeing to the residents of Lewisham.
- 1.3 Ventilation servicing and maintenance promote indoor air quality, prevent the spread of diseases, control temperature, and enhance overall safety and comfort within a building, contributing to the health and well-being of residents.

12. Social Value implications

- 12.1 The Tenderers will be asked a method statement question to demonstrate what social value they can deliver.
- 12.2 The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Lewisham pay their staff at a minimum rate equivalent to the LLW rate. The successful provider will be expected to meet LLW requirements and contract conditions requiring the payment of LLW will be included in the service specification and contract documents.

- 12.3 The incorporation of Social Value into Lewisham contracts will significantly help the Council to deliver on its strategic corporate and Mayoral priorities and deliver added value for the borough as a whole.

13. Background papers

- 13.1 None for this report.

14. Glossary

Term	Definition
HVAC	Heating, ventilation and air conditioning
MVHR	Mechanical ventilation with heat recovery

15. Report author(s) and contact

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16. Appendices

None